

THE WINDOW

“I don’t predict. I just look out the window and see what’s visible but not yet seen.”

— Peter F. Drucker

Letter from Claremont

As Peter Drucker saw things, every organization “has two—and only these two—basic functions: marketing and innovation.”

We’ve been thinking a lot about this principle lately, as we plan to launch a revamped website and produce a new brochure that captures what we do.

Drucker viewed marketing differently from most people. In fact, he believed that “marketing” and “selling” are antithetical.

“The aim of marketing is to make selling superfluous,” Drucker wrote. “The aim of marketing is to know and understand the customer so well that the product or service... sells itself.”

In terms of marketing, we’re lucky to have a core product that



The Drucker Institute's new brochure

millions of people around the world clearly value: Drucker’s teachings.

But Drucker also taught that every product only lives for so long

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Drucker Society Spotlight

How [Drucker Societies worldwide](#) are advancing effective management and responsible leadership

Peter Drucker’s teachings on effective nonprofit management have found a home in India with the Mumbai office of Habitat for Humanity, a global NGO which builds homes alongside impoverished families.

There, volunteers with the Drucker Society of India have spurred the Habitat team to undertake quarterly reviews of their activities to ensure that they lead to the fulfillment of the organization’s mission.

The Drucker Society underscored “the importance of listening to our customers and their needs,” said Georgina Kurian, chief financial officer of HHF India.

These lessons and others were gleaned from the Drucker Society Nonprofit Program, which draws practical insights from what Drucker called “the five most important questions you will ever ask about your organization”: *What is our mission? Who is our customer? What does*

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[The Drucker Exchange](#) is our blog about bettering society through effective management and responsible leadership. Our most popular recent items include [Breaking Boundaries](#) and [Joe’s Journal](#) on February 21.



“The Drucker Difference” on Bloomberg Businessweek

Rick Wartzman, executive director of the Drucker Institute, writes a column for *Bloomberg Businessweek* online that ties Peter Drucker’s work to today’s headlines. For a list of all of his columns, [click here](#).

Rick’s recent “Drucker Difference” columns:

- [For Nokia, One Good Call, One Bad](#) February 18, 2011
- [Uncertainty? Get Over It](#) February 4, 2011
- [A Different Steve Jobs Departs This Time](#) January 21, 2011
- [Accelerating UAW’s Buy-In at GM](#) January 7, 2011

Letter from Claremont, cont'd

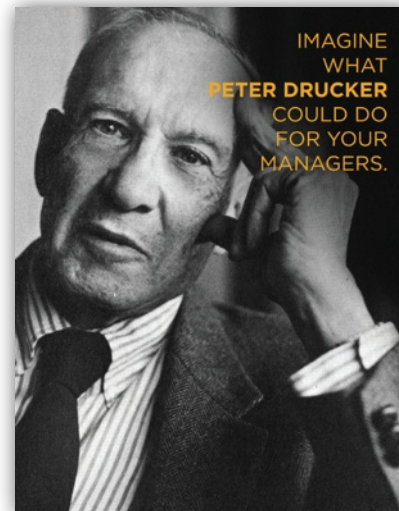
before becoming obsolete. And that's where innovation—"change that creates a new dimension of performance"—comes in.

It is with this in mind that we are steadily scaling up programs that treat Drucker's ideas not as the end of the story but, rather, as the beginning. Through our [Drucker for Future Leaders](#) initiative, we're teaching high school students basic management practices so that they can more effectively design and implement community-service projects, as well as find their path to college. Meanwhile, our [Drucker Management Path](#) training system is using cutting-edge learning design to bring new life to 60-plus years of writing. And our blog, [the Drucker Exchange](#), is illuminating today's news with timeless insights.

Or to put it another way, we're not just trying to sell Peter Drucker's legacy; we're trying to market it to a new generation.



Rick Wartzman and Zach First
Executive Director and Managing Director



Learn more about the [Drucker Management Path](#) training system, and what it can do for the managers in your organization.

FROM THE ARCHIVES

In developing a new tag line for the Drucker Institute—"Old Wisdom, New Applications"—we found it useful to look back at what Peter Drucker had to say to those managing what is perhaps the world's greatest brand: Coca-Cola.

Drucker worked closely with a number of Coke executives over the years, including former President Donald Keough.

In this 1992 consulting report, Drucker's first suggestion to the company was to ask: "What values, what satisfactions, what emotions should Coca-Cola's advertising evoke and promote?"

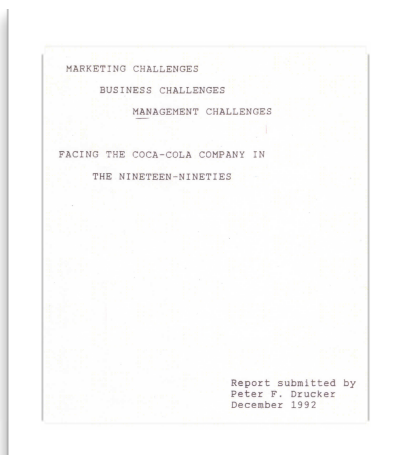
Second, Drucker emphasized the value of a timely slogan. He praised Coke's "The pause that refreshes" campaign, which was launched in 1929

(and later selected by *Ad Age* as one of the Top 10 "slogans of the century"). That language "clearly communicated" the satisfaction that Coca-Cola provides, Drucker wrote. But he also cautioned that this "was the slogan for a very different world.

What is now needed is something that equally conveys the essence of Coca-Cola."

Finally, he urged Coke executives to think about the company's geographic reach. "Would such a term again, as in the past, be the right one for promotion globally?" Drucker asked.

Values, timeliness and geography: Although we're 10,000 times smaller than Coke, these are all factors that we've found helpful to consider. Perhaps your organization would, too.



Society Spotlight, cont'd

the customer value? What are our results? What is our plan?

As a result of its work with the Drucker Society, Kurian explained, Habitat in Mumbai is now considering other steps such as more tightly integrating the organization's signature housing programs "with livelihood, finance and disaster-mitigation training programs, depending on our beneficiaries' needs."

Drucker Society leaders Deepjee Singhal and Vaibhav Manek met with Habitat over several months as part of their own mission to increase the effectiveness of nonprofits and NGOs. Singhal noted that social-sector organizations "are playing an ever-increasing role" in India.

Manek pointed out that the Drucker Society was merely taking its cues from Drucker himself. He "devoted the latter part of his life to the nonprofit sector and always saw it as a key player in building a healthy society," Manek said.